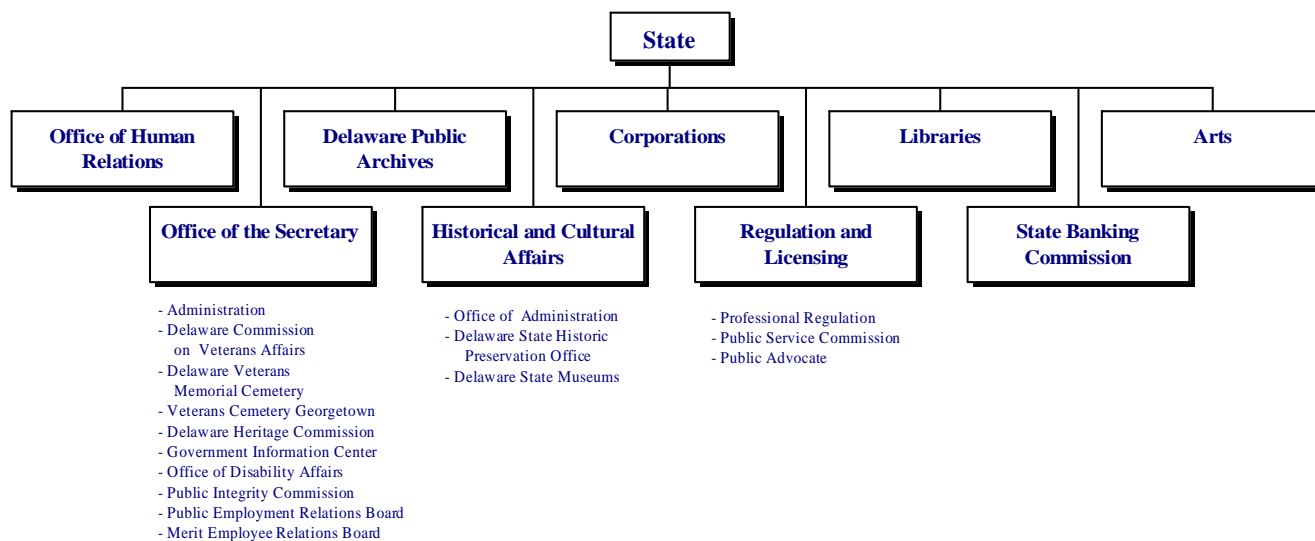


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MISSION

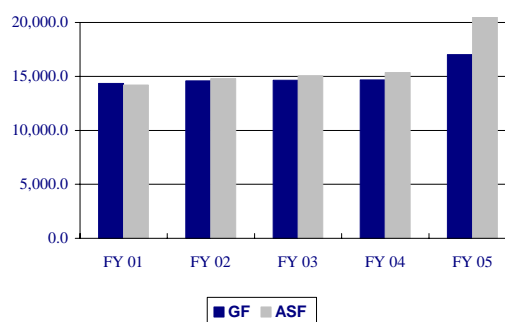
To strengthen the economy of the state, generate revenue, enhance the quality of life of Delaware citizens, and manage and promote access to public information.

KEY OBJECTIVES

- Attract businesses to Delaware by coordinating marketing efforts (with DEDO, the Diamond State Port Corporation, Chambers of Commerce, etc.) that leverage the state's existing reputation as the "Corporate Capital of the World" and a leading location for financial services firms.
- Improve the quality and increase the use of historic, recreational, and cultural assets that make Delaware an attractive place for business location.
- Promote tourism by developing the concept of a "First State Heritage Park of Dover."
- Grow bank franchise revenues in the next three years by maintaining an attractive and innovative regulatory environment for the financial services industry.
- Promote amicable relationships among the citizens of Delaware by increasing public awareness of human rights and discriminatory practices.
- Increase the number of eligible veterans and their dependents receiving services.

- Make Delaware a model state in providing access to accurate and timely government information.
- Build "e-Partnerships" between the state, the counties, major municipalities, public libraries, and major educational institutions in order to meet customer expectations, lower costs, leverage best practices and ensure equal access to information.
- Develop and promote "The Digital Archives."
- Implement the Delaware Library Catalogue and Delaware Library Card by Fiscal Year 2006.
- Continue implementation of the new Strategic Plan of the Division of Arts through Fiscal Year 2007.

Five-Year Appropriation History



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FUNDING

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.*
GF	14,976.2	15,540.9	16,999.4
ASF	13,893.9	15,998.3	28,730.0
TOTAL	28,870.1	31,539.2	45,729.4

POSITIONS

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.*
GF	130.6	129.1	137.1
ASF	145.5	147.5	214.5
NSF	19.9	19.9	24.9
TOTAL	296.0	296.5	376.5

* The Fiscal Year 2006 Governor's Recommended Budget includes agencies restructured from the Department of Administrative Services. These agencies are not reflected in the Fiscal Year 2004 Actual and Fiscal Year 2005 Budget data.

FY 2006 BUDGET HIGHLIGHTS

OPERATING BUDGET:

- ◆ Recommend government reorganization that restructures the following units within the Department of Administrative Services to the Department of State: Administration - Office of Disability Affairs (30-01-20), Public Integrity Commission (30-01-30), Public Employment Relations Board (30-01-40), and Merit Employee Relations Board (30-01-50); Regulation and Licensing - Professional Regulation (30-03-20), Public Service Commission (30-03-30), Public Advocate (30-03-50).
- ◆ Recommend \$250.0 ASF for First State Heritage Park of Dover programs, exhibits and infrastructure.
- ◆ Recommend \$102.8 ASF in Personnel Costs and 2.0 ASF FTEs (License Investigator Is) in Professional Regulation to address case backlog.
- ◆ Recommend \$78.0 ASF in Personnel Costs and 2.0 ASF FTEs (Public Utility Analyst and Administrative Specialist II) in Public Service Commission to address service demands.
- ◆ Recommend \$685.0 in Corporations, which includes \$410.0 ASF in Contractual Services for credit card processing fees and lockbox contract and \$275.0 ASF for data center renovations.
- ◆ Recommend \$2,500.0 ASF in Technology Infrastructure Fund in Corporations for a one-time

expenditure for the rewrite of the Delaware Corporate Information System.

- ◆ Recommend \$400.0 ASF in State Banking Commission for one-time computer system replacement.

CAPITAL BUDGET:

- ◆ Recommend \$300.0 for Museum Maintenance to allow the Division of Historical and Cultural Affairs to perform minor and emergency repairs, allowing eight museum sites to operate safely.
- ◆ Recommend \$750.0 for the Minor Capital Improvements and Equipment program to prevent the deterioration of various historic buildings and grounds and museums, including improving the safety and environmental conditions of facilities.
- ◆ Recommend \$300.0 for improvements to the Veteran's Cemetery in New Castle County. This includes the replacement of windows, exterior doors/jams, and the repair of the exterior stucco walls where needed. Also, the vestibules will be enclosed to accommodate services, protect clients from the elements, and to enhance the functional layout of the reception/service areas to relieve congestion and accommodate persons with special needs.
- ◆ Recommend \$1,500.0 to complete the renovation of the Old State House and to provide the state of the art exhibits and associated equipment for this historic building, a key part of the First State Heritage Park.
- ◆ Recommend \$2,873.9 for matching contributions in support of local library projects under the Library Construction Act. These projects include funds for the Seaford, Hockessin, Dover, South Coastal, Kent County, and the New Castle County Libraries located in Bear and planning for a new Southern Branch facility plus the Delmar and Milford Public Libraries.

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OFFICE OF THE SECRETARY

20-01-00

MISSION

To provide leadership, support, and centralized services to the divisions in meeting the overall objectives of the department. To support Delaware veterans and their dependents through assistance with benefits, entitlements and interment programs available to them under federal and state laws. To promote and preserve Delaware history and heritage through the publication of books and public programming. To assist the Department of State in meeting its statutory mandate of ensuring citizens with free and equal access to state, local, and federal government information by promoting easy and organized citizen access to government services and information online.

KEY OBJECTIVES

- Build brand awareness and recognition both domestically and internationally of Delaware's position as the "Corporate Capital of the World." Provide leadership in efforts to leverage Delaware's international reputation to help attract complementary corporate and legal services businesses to locate in Delaware.
- Provide direction and leadership in the areas of citizen access to public information and e-government services. Improve quality, quantity, and accessibility to government information through the use of Internet-based technologies, and support projects of strategic importance that will further enhance public access to government information.
- Promote Delaware's history and culture, through increased visitation to Public Archives and key state museums, and increase participation in arts events supported or sponsored by the Arts.
- Annually provide effective financial, human resource, legislative, and administrative support to operating divisions.
- Implement automation improvements designed to continually improve business functions and communications capabilities.
- Keep abreast of national developments in digital notarization and be prepared to develop and adopt regulations if necessary.
- Encourage development of the Delaware Museums Association to further tourism in Delaware.
- Support the administration's efforts to establish the state's first Veterans Home by December 2006.
- Increase monetary awards from claims processed with the U.S. Department of Veterans Affairs by 2.5 percent on behalf of Delaware veterans in Fiscal Year 2006.
- Increase services to eligible veterans and their dependents in New Castle, Kent, and Sussex counties by 2.5 percent through Fiscal Year 2006.
- Strengthen Delaware's economy through support of the U.S. Small Business Administration (SBA) by providing opportunities for women, minority, and disabled veterans interested in developing small businesses.
- Effectively manage a 2.5 percent increase in interments through Fiscal Year 2006.
- Successfully administer and complete the upgrade of the Veterans Memorial Cemetery-New Castle, in order to meet the interment needs of veterans over the next ten years.
- Increase participation rates by 20 percent in Delaware Heritage Commission programs.
- Plan to expand and redevelop the summer camp programs to include new themes and weekend programs.
- Continue to promote history and heritage of Delaware through publications, grant programs, camp programs, the collection of oral history, heritage tourism, and outreach with schools, teachers, and historical societies.
- Identify areas where citizens, private and public sector organizations, and state users desire the creation or improvement of governmental information.
- Maintain Delaware Portal content to ensure that information is accurate and timely and appropriate links are available.
- Identify ways to improve online resources through focus group studies and other usability studies.
- Work with organizations to promote adherence to statewide standards that will improve access to information.
- Provide training to citizen groups and information intermediaries on available web content.

- Provide assistance to organizations on the non-technical aspects of content and information creation/maintenance (e.g., writing for the web).

BACKGROUND AND ACCOMPLISHMENTS

Comprised of Corporations, the State Bank Commissioner, the Office of Human Relations, Historical and Cultural Affairs, the Delaware Commission of Veterans Affairs, the Delaware Veterans Memorial Cemeteries, the Arts, the Delaware Public Archives, Regulation and Licensing and Libraries, the Secretary of State leads a diverse organization with responsibilities in many distinct areas. As such, one might view the department as a microcosm of state government. Through the mission assigned to various divisions and special responsibilities of the Secretary, the department touches virtually every aspect of state government: economic development, finance, transportation, housing, education, culture, and quality of life issues. The Department of State finds strength in its diversity, as it requires a comprehensive and progressive approach to public sector management.

In addition to providing direction to the various operating divisions, the Secretary of State provides policy guidance in a number of other areas. She serves as Chair of the Delaware Stadium Corporation and on the Board of the Diamond State Port Corporation. In these roles, responsibilities include overseeing and maintaining the development of the Stadium and the Port to ensure their continued contributions to the state's economy. By virtue of the Delaware Constitution, the Secretary of State is the Secretary of the Board of Pardons. Under state law and various executive orders, she administers regulations affecting more than 8,000 Delaware notaries and actively participates in numerous public bodies including the Delaware Economic and Financial Advisory Council (DEFAC), the Open Space Council, the Biggs Museum Board, and the Delaware Heritage Commission.

Through Corporations and the State Bank Commissioner, the department contributed \$753 million of General Fund revenue in Fiscal Year 2004. The challenge facing the department over the next three years is to continue to maintain the state's leadership in the corporate, legal, and banking services industries and to leverage those relationships to attract related businesses and industries.

Through Archives and Libraries, the Secretary of State has the statutory responsibility to make information and records available to the public. Libraries foster education and recreational enjoyment with more than 2.9

million visits in Fiscal Year 2002. In addition, libraries now play a major role as a community's information center. As technology continues to advance, public expectations regarding the availability, quality, and timeliness of government information have increased dramatically. Archives has responded to increased demands by developing its expertise in managing digital records. Libraries has responded by using technology to link together all public libraries in the state and is working to develop a more comprehensive customer approach by developing a Statewide Library Technology Plan.

Through Historical and Cultural Affairs, Delaware Public Archives, Arts, and the Delaware Heritage Commission, the department plays a major role in preserving and celebrating the past and exposing citizens and visitors to the state's rich culture and history. As the first state to adopt the U.S. Constitution, Delaware occupies a special position in world history. Through the new state-of-the-art Public Archives and the completed Hall of Records, the department maintains and exhibits the records of democracy, enabling current and future generations to judge the performance of government. Through museums and conference centers at Buena Vista and Belmont Hall, public space is provided where the story of democracy can be seen, touched, and heard. Through Arts, the department supports creative expressions that inspire current generations and serve as lasting monuments to a free and democratic society.

Protecting Delaware's citizens from discriminatory practices improves the quality of life and ensures equality for all. Human Relations strives to break down barriers and stimulate cultural diversity.

The Commission of Veterans Affairs has served Delaware veterans through the support of its administrative offices and through services provided by the Delaware Veterans Memorial Cemeteries.

The commission was established in 1987 as an operational unit of the Department of State. Its responsibilities include the protection and enhancement of federal and state benefits and entitlements to Delaware veterans and their dependents.

The commission continues to enhance its services to veterans residing in Kent and Sussex counties who do not have access to the same level of resources that exist in the northern part of the State. Mental health counseling services are provided through a grant to People's Place II, Listening Post-Lower Delaware (LP-LoDEL) in Milford. A Veterans Service Officer supporting Sussex County has improved the ability to

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assist veterans. A Mobile Van (Veterans Service Center) makes scheduled community visits, further enhancing the delivery of benefits and services.

The commission continues to participate in the Governor's economic development goals for Delaware by strengthening veterans' (disabled, minority, and women) involvement in small business development opportunities through programs of the SBA and Department of Veterans Affairs.

The Veterans Benefits Administration of the U.S. Department of Veterans Affairs is presently reengineering its benefit processing operation. A critical aspect of this effort is to now require "certification" of all "accredited" veteran service officers. This enhanced process will lead to more efficient documentation and processing of veterans' claims. Since several state veterans organizations presently serve veterans in this capacity, the commission will continue offering training opportunities to all department and Post Service Officers requesting assistance.

The Delaware Veterans Memorial Cemetery (DVMC) located in New Castle County opened in October 1989. The cemetery is undergoing a \$5.3 million vault expansion and infrastructure improvement project funded by the federal government that should be completed in Fiscal Year 2006. The grant will increase the number of interment vaults by 6,000 and the number of columbarium niches by 700 to accommodate veterans for the next ten years.

The DVMC located in Sussex County opened in October 1999. Outreach programs to veterans' organizations and other community-based groups in Kent and Sussex counties are ongoing to encourage interest in the cemetery.

In Fiscal Year 2001, the Delaware Government Information Center (DGIC) was created within the Office of the Secretary. Expertise is provided to individual state agencies to help them do a better job providing information to their customers. In its inaugural year, the DGIC unveiled a new state web portal (Delaware.gov), completed development of the first web site for Motor Vehicles, and made major strides toward developing web-publishing standards.

Accomplishments

- Secured legislation to build a Delaware State Veterans Home and waived state bid laws to expedite completion.
- Established a State Veterans Home Fund that provides a mechanism for receiving contributions through a personal income tax return form process or direct donations.
- Maintain a home page that allows citizen access to services offered by the commission and U.S. Department of Veterans Affairs.
- Publish *THE CENTURION*, a quarterly veterans' newsletter distributed to over 8,000 homes and other sites throughout the State. This publication is also accessible on the home page.
- Improve access for veterans to obtain copies of their Statement of Military Service (DD-214).
- Distribute a State Veterans Benefit Booklet to all veterans who claim Delaware as their home of record upon discharge from military service.
- Assisted in erecting and refurbishing various monuments to recognize the state's Medal of Honor recipients and Prisoners of War and Missing in Action.
- Continue to award high school diplomas to deserving World War II veterans who left high school prior to graduation in order to serve in the armed forces of the United States.
- Processed and approved over 31,000 applications for burial at the DVMC over the past 14 years.
- Effectively handled over 8,000 interments at the DVMC over the past 14 years.
- Maintain an internet site that permits veterans to access/submit a burial application, check the status of their application, and locate interment sites of those interred at the DVMC.
- Successfully oversaw three large Brown v. Board of Education 50th anniversary events in Hockessin, Claymont and Wilmington.
- Successfully hosted the 300th anniversary reception for the Delaware General Assembly.
- Successfully co-hosted, with the University of Delaware, the Redding Symposium honoring the 50th anniversary of Brown v. Board of Education.
- Administered the Hands on Heritage Camp for 11-13 year olds by hosting three weeks for New Castle County youngsters and one week for Kent and Sussex County campers. The Advanced Camp was expanded to a second week and more weekend Immersion Camps for high school students were held in April and November camp. The new Senior Camp heritage tour for people 55 years of age and older was held in May with another week in October.
- Reprinted the unfinished book, *The Perennial Apprentice: A 60-Year Scrapbook of Architecture* by George Fletcher Bennett.
- Published a new state web portal making it easier to find state information. (www.delaware.gov).
- Delaware.gov has been named among the top five state portals in the nation in 2004.

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- Promulgated Website Common Look and Feel Standards to over 50 percent of the state's web pages.
- Launched more than 30 new online services including the Virtual Tax Service Center, Polling Place Locator, Online Delaware Code, Motor Vehicles website, Professional Regulations website, and the Delaware Digital Archives.
- Developed web-publishing standards designed to improve the accessibility of state websites for the physically-disabled and others.
- Launched an enterprise-wide calendar for Public Meetings.
- Offered Writing for the Web course to state employees.
- A recent Brown University study ranked Delaware.gov ninth in the nation in website accessibility.

FUNDING

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 Gov. Rec.*
GF	2,105.4	2,125.8	3,171.9
ASF	1,873.3	1,657.7	2,273.3
TOTAL	3,978.7	3,783.5	5,445.2

POSITIONS

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 Gov. Rec.*
GF	30.0	30.0	41.0
ASF	8.0	9.0	10.0
NSF	--	--	5.0
TOTAL	38.0	39.0	56.0

* The Fiscal Year 2006 Governor's Recommended Budget includes agencies restructured from the Department of Administrative Services. These agencies are not included in the Fiscal Year 2004 Actual and Fiscal Year 2005 Budget data.

ADMINISTRATION 20-01-01

ACTIVITIES

- Provide centralized services to operating divisions: financial, human resources, legislative, information technology, general administrative, and employee training.
- Provide direction and policy-making functions for operating divisions.
- Prepare budgets and control expenditures throughout the department.
- Process applications, collect fees, and commission from notaries public.

- Promote employee recognition initiatives.

DELAWARE COMMISSION ON VETERANS AFFAIRS 20-01-02

ACTIVITIES

- Manage the processing of claims for veterans and their dependents and effectively monitor all federal legislation vis-à-vis the U.S. Department of Veterans Affairs.
- Maintain a repository for all veterans' Statement of Military Service or similar documentary verification of active military service.
- Continue annual activities associated with the Delaware Memorial Bridge and the honoring of veterans at ceremonies surrounding Memorial Day and Veterans Day.
- Continue outreach efforts conducted through the quarterly publication of *THE CENTURION*, the newsletter published by the Commission of Veterans Affairs.
- Maintain an informational system that provides veterans with electronic access to benefits and entitlements provided by federal and state governments.
- Maintain effective communication and participate in activities with other departments, divisions, non-profit organizations, and interstate Department of Veterans Affairs for the purpose of furthering issues beneficial to veterans and their dependents.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
Outreach (# of veterans)	46,753	47,922	49,120
Federal/state referral	3,999	4,099	4,201
# times home page was used	122,677	125,744	128,888

DELAWARE VETERANS MEMORIAL CEMETERY 20-01-03

ACTIVITIES

- Maintain the 52-acre cemetery site as a memorial to those who have honorably served the state and country.

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- Manage federal and state funds for various capital improvement projects at the cemetery. Ensure quality workmanship on all projects.
- Provide eligibility information to all veterans and their dependents.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# interments	634	650	666
# gravesites maintained	7,982	8,632	9,298
# cumulative approved applications	25,527	26,165	26,819

VETERANS CEMETERY GEORGETOWN 20-01-04

ACTIVITIES

- Maintain the 65-acre cemetery site as a memorial to those who have honorably served the state and country.
- Provide eligibility information to all veterans and their dependents.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# interments	168	172	176
# gravesites maintained	911	1,083	1,259
# cumulative approved applications	6,157	6,311	6,469

DELAWARE HERITAGE COMMISSION 20-01-05

ACTIVITIES

- Operate summer history camps for children and young adults.
- Administer the commission's Oral History program.
- Administer Challenge Grants and McKinstry Awards.
- Promote Delaware authors and Delaware publications dealing with Delaware history.
- Coordinate and assist with significant historical anniversaries.
- Provide educational outreach to small museums, schools, and historical societies.
- Delaware Book Fair and Authors Day held in November.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# of DE history campers	87	140	140
# of persons on newsletter mailing list	2,573	2,600	2,700
# of unique visitors to home page	947	1,000	1,000
# of Authors Day patrons	300	300	300

GOVERNMENT INFORMATION CENTER 20-01-06

ACTIVITIES

- Promote an increase utilization of Delaware's diverse collection of online resources.
- Solicit and collect valuable input from citizens to assess the on-going needs of e-Government through the use of focus group meetings and online surveys.
- Update and maintain content on the state's portal.
- Standardize core web content, increase the level of web page accessibility and ease citizen interaction with state agencies online.
- Analyze e-mail requests received via the state's portal.
- Promote the use and deployment of core infrastructure components (e.g. E-payment solution, calendar for public meetings, common subscription service, etc.)
- Form "e-partnerships" between state and local governments.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# of portal links	1,201	1,275	1,350
# of monthly unique visitors to Delaware.gov	69,063	72,500	76,150
# of focus groups facilitated	2	6	12
# of public events participated in to raise awareness of online services and information	3	6	12
# of online transactions for: fishing licenses, campsite reservations, employment applications, personal income tax returns and number of subscribers on DIS	Baseline Year	+10%	+10%

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OFFICE OF DISABILITY AFFAIRS 20-01-07

ACTIVITIES

- Analyze, propose, and promote state, federal and local legislation, regulations, programs and policies to effectively meet the needs of persons with disabilities in Delaware.
- Facilitate activities mandated by 29 Del. C. §8813 and Executive Order 80, as well as coordinate the implementation of the Americans with Disabilities Act as it relates to Delaware's state agencies, and support the State Council for Persons with Disabilities (SCPD).
- Support the Developmental Disabilities Planning Council by advocating for change and educating communities to be responsive and sensitive to the needs, preferences and choices of all people with developmental disabilities and their families.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
Bills, regulations and policies impacted by SCPDs comments	32	33	34
# of council members trained to enhance system reform	4	5	5

PUBLIC INTEGRITY COMMISSION 20-01-08

BACKGROUND AND ACCOMPLISHMENTS

A total of 52 requests for interpretations of the ethics, financial disclosure, and/or lobbying laws were submitted in Fiscal Year 2004. This total exceeded by two the projected 50 requests in the Fiscal Year 2004 Budget Performance Measures. While the requests for advisory opinions, waivers, or complaints were within the projected performance measures, the 52 filings in Fiscal Year 2004 were a decrease of 17 (24.6 percent) from Fiscal Year 2003.

Of the 52 filings, 41 (78.8 percent) were requests for advisory opinions, three were requests for waivers, and eight were complaints. Complaints decreased by 86 percent in Fiscal Year 2004 to only eight as compared to 22 in Fiscal Year 2003. Most of the Fiscal Year 2003 complaints resulted from candidates for state office failing to file financial disclosure reports. After several notices of the requirement to file with no response, the matters were referred to the commission to decide if

there was reason to suspect a violation of the law. After a finding of probable cause, the matters, by law, are referred to the Attorney General for prosecution.

The number of registered lobbyists remained essentially the same as Fiscal Year 2003. There are presently 218 registered lobbyists who represent 398 organizations. In Fiscal Year 2004, lobbyists filed 872 quarterly expense reports.

Of the 218 registered lobbyists, only 42 are not accessible by e-mail. Most lobbyists now submit their registrations, authorizations and quarterly reports to PIC's electronic database. This expedites the process for lobbyists to file, and decreases PIC's costs for paper and postage in mailing notices to those who are late in filing. E-mail can now be sent to most lobbyists to remind them of the filing date. Most lobbyists generally respond promptly to the e-mail. For those without e-mail, the postal service is used. Final notices are sent by certified mail. By law, failure to file is a voluntary cancellation of a lobbyist's registration and the lobbyist may not lobby until all delinquent reports are filed.

ACTIVITIES

- Issue written advisory opinions on whether the conduct of state employees, state officers, honorary state officials, and state agencies comply with the Code of Conduct, the Financial Disclosure statute, and the Lobbyists' Law in 29 Del.C., c. 58.
- Grant waivers where the literal application would not serve the public purpose of the Code of Conduct and/or where compliance would result in "undue hardship" to employees, officers, or state agencies.
- Investigate and prosecute as necessary, violations of 29 Del. C., c. 58.
- Provide educational seminars and produce publications to aid in compliance with 29 Del. C., c. 58.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# advisory opinions, waivers, complaints	52	60	50
# persons participating in training	249	350	350
% advisory opinions and complaints resolved within 45 days or less	88.2	94	94

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PUBLIC EMPLOYMENT RELATIONS BOARD **20-01-09**

ACTIVITIES

- Resolve collective bargaining impasses through mediation, public fact-finding procedures, and binding interest arbitration.
- Resolve unfair labor practice charges.
- Certify exclusive bargaining representatives.
- Administer binding grievance arbitration process for public schools.

PERFORMANCE

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
% disputes informally resolved through PERB facilitation	38	40	40
% of cases resolved within 90 days of filing	55	60	65

MERIT EMPLOYEE RELATIONS BOARD **20-01-10**

ACTIVITIES

- Act as the final step in the Merit grievance procedure and in maintenance review appeals. The Merit Employee Relations Board (MERB) must take grievance rulings within 90 days of submission, unless both the employee and management agree to an extension.
- Adopt or reject changes to the Merit Rules after a public hearing. Proposed rules changes must be reviewed by the Statewide Labor-Management Committee prior to submission to the MERB.
- Request that the Director investigate problems or complaints arising from the impact of Merit policies and procedures on employees.
- Act as the final step in maintenance review appeals.

PERFORMANCE

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
% cases resolved within 150 days	70	80	80
% written decisions completed within 45 days of hearing	100	100	100

OFFICE OF HUMAN RELATIONS **20-02-00**

MISSION

To assure equal opportunity for all people of Delaware by protecting them against practices that discriminate based on race, color, age, sex, religion, marital status, national origin, or disability so that all may enjoy the quality of life Delaware offers. To foster amicable relationships among genders as well as the racial, ethnic, religious, social, and cultural groups within the state. To educate the community at large regarding discrimination.

KEY OBJECTIVES

- Investigate, negotiate and settle 80 percent of all housing and public accommodation complaints received and process 100 percent of all cases within the statutory timeframe in Fiscal Year 2006.
- Expand the public visibility of the Office of Human Relations and the State Human Relations Commission in promoting amicable relationships among all citizens of Delaware by increasing outreach and education events by two percent in Fiscal Year 2006.
- Implement two recommendations from the State Human Relations Commission Strategic Plan in Fiscal Year 2006. Hold a training retreat for the commission and develop a mentoring program for new commissioners.

BACKGROUND AND ACCOMPLISHMENTS

The state Human Relations Commission was created in 1961 to promote a climate of understanding among racial, cultural, and ethnic groups in Delaware. The Governor appoints the 28 members of the commission. Seven members are appointed from each county and seven members are appointed at-large.

In 1963, the Equal Accommodations Law was passed; and in 1969, the Equal Rights to Housing Law was passed. In 1970, the Office of Human Relations was established to provide staff support to the commission. The commission acts as conciliator in matters involving race, age, marital status, familial status, color, sex, creed, national origin, and persons with disabilities. It investigates, conducts surveys and studies as needed, and makes recommendations to the Governor and General Assembly regarding updates to the statute.

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The passage of the Delaware Fair Housing Act in 1992 and the Public Accommodations Act in 1996 marked two important milestones for the Office of Human Relations. The Housing Act allowed Delaware's Office of Human Relations to remain certified as a "substantially equivalent fair housing agency." As a result, the office is eligible for federal funding. The Act also permits a Human Relations Commission Panel or Superior Court to hear cases of alleged discrimination. The Delaware Fair Housing Act requires the State to provide legal representation for complainants who allege housing discrimination. The Equal Accommodation Act provides tougher penalties for those convicted of discrimination.

Accomplishments

- In Fiscal Year 2003, the division handled a total of 367 complaints of discrimination. The division successfully conciliated 294 of the 367 (80 percent) housing and public accommodation complaints.
- In Fiscal year 2004, the division handled a total of 310 complaints of discrimination and was able to successfully conciliate 254 of the 310 (82 percent) housing and public accommodation complaints.
- The division successfully closed 100 percent of all housing cases within the federal mandate.
- The commission successfully implemented three recommendations from their strategic plan. The commission enforced the existing statutory provisions concerning commissioner's attendance, developed a commissioner job description, and developed legislation recognizing the statutes governing the division and commission.
- The division conducted and participated in 267 outreach and education events in 2003 and 388 in 2004.

FUNDING

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	436.6	471.3	513.9
ASF	1.2	10.0	10.0
TOTAL	437.8	481.3	523.9

POSITIONS

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	9.0	9.0	9.0
ASF	--	--	--
NSF	1.0	1.0	1.0
TOTAL	10.0	10.0	10.0

OFFICE OF HUMAN RELATIONS 20-02-01

ACTIVITIES

- Annually seek substantial equivalency accreditation from the U.S. Department of Housing and Urban Development to assure citizens have equitable housing in Delaware.
- Annually examine on-going operations, public relations, and legislative strategies for meeting the mission.
- Provide citizens the ability to file a complaint of discrimination online.
- Assist in the development of a diverse workforce that reflects Delaware through the Governor's Equal Employment Opportunity Council.
- Achieve resolution of housing complaints within 100 days.
- Achieve resolution of public accommodation complaints within 120 days.
- Serve as a community resource in each county for information on discrimination.
- Publish quarterly commission newsletters and an annual report.
- Develop a campaign to educate the public and promote the agency.
- Annually develop and conduct civil and human rights training forums throughout the state.
- Expand partnership with law enforcement agencies.
- Encourage and solicit input on civil and human rights issues through focus groups, public meetings, and seminars.
- Receive, investigate, and mediate/conciliate in schools, prisons, and neighborhoods regarding incidents of excessive force, discrimination-related violence, and neighborhood tension relating to discrimination or bias and disparate treatment regarding consumer issues.
- Refer employment discrimination complaints to the Department of Labor or the State's EEO/Affirmative Action Officer.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
% of housing and public accommodations cases conciliated	100	100	100
# of outreach/education events	267	195	195

STATE

20-00-00

DELAWARE PUBLIC ARCHIVES

20-03-00

MISSION

To identify, collect, and preserve public records of enduring historical and evidential value. To ensure access to public records for present and future generations of Delawareans and promote the availability and use of public records as a unique and invaluable source of information. To advise and educate in the creation, management, use, and preservation of public records.

KEY OBJECTIVES

- Position Archives and the Hall of Records complex as a first-stop source of key Delaware information among citizens, agencies, and other organizations and an integral component of the First State Heritage Park of Dover.
- Redesign the entire range of customer service delivery—including all policies and procedures pertaining to mail, email, phone, face-to-face patrons, and web users—and reduce the amount of time for order fulfillment by ten percent.
- Deliver higher levels of traditional public service via the internet by 20 percent, including on-line requests, guide to the holdings, on-line exhibits, and a digital archives collection.
- Maintain a customer satisfaction rating of 90 percent or higher for all services provided.
- Increase overall patronage of all Delaware Public Archives programs, both on-site and off-site, by 15 percent.

BACKGROUND AND ACCOMPLISHMENTS

The Delaware Public Archives (DPA) administers the Delaware Public Records Law that directs Delaware's archives and records management program. The General Assembly has mandated that the program be applicable to all government entities: the executive, legislative, and judicial branches; county and municipal governments; and school and other special districts. DPA is the permanent repository for state and local government records of enduring value and currently contains more than 60,000 cubic feet of such records.

The responsibilities of DPA include:

- preserving the historical records of Delaware, including everything from 17th Century papers to 21st Century CD-ROMs;
- providing easy access to the records of Delaware's government;
- promoting the use of Delaware's historical resources in scholarship, legal research, and educational initiatives;
- celebrating Delaware's history through exhibits and a program of historical markers;
- determining the final disposition of all Delaware government records, including electronic and digital records; and
- providing a records center service for the temporary housing of non-permanent records.

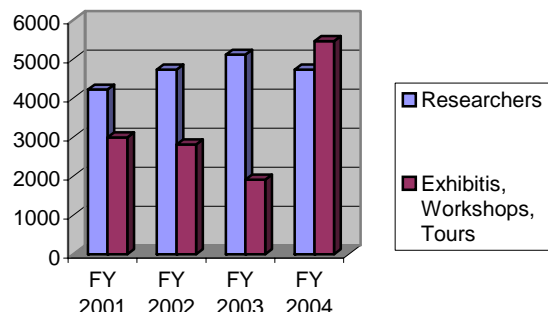
The new Archives building was dedicated on December 7, 2000, and opened to the first researchers on January 8, 2001. The facility includes a research room with seating for more than 75 researchers, storage for approximately 90,000 cubic feet of records, and a conservation lab and preservation microfilming area. Phase II of the construction was completed in Fiscal Year 2003 with the renovation of the Hall of Records. The Hall of Records includes exhibit galleries which will open to the public in Fiscal Year 2004.

In Fiscal Year 2004, more than 10,000 people used the new Archives facility, whether to conduct research, view the exhibits, or attend a workshop or special event. The new exhibit galleries proved immediately successful, attracting more than 5,000 people in the first six months.

The website of the Delaware Public Archives continues to rank among the top sites for usage in state government. In Fiscal Year 2004, the site logged more than 176,000 unique visitors, an increase of more than 23 percent over the previous fiscal year.

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On-Site Patrons, FY 01 to FY 04



Accomplishments

- **Bill of Rights.** The Bill of Rights was returned to Delaware and placed on exhibit for the viewing public on Delaware Day, December 7, 2003. More than 5,000 Delawareans viewed the document during its inaugural exhibition in 2004, which lasted through July 4, 2004. The document returns to exhibition again on December 7, 2004.
- **Hall of Records.** The Hall of Records exhibition galleries were opened in December 2003, and now include three separate galleries highlighting Delaware's history and heritage. The exhibitions have proven popular and attracted more than 5,000 visitors in the first six months of operation, including many school groups.
- **Expanded hours.** In Fiscal Year 2002 DPA increased the number of hours it is open to the public to 60 hours per week. These hours include Saturday hours and two weeknights. In Fiscal Year 2005, DPA extended the number of days open to the public by 24, adding 12 state holidays (and the Saturdays prior to the holiday).
- **E-mail reference requests.** The use of e-mail reference requests, initiated in Fiscal Year 1997, now outpaces the receipt of regular mail requests 51 percent to 49 percent. This continues a trend which has seen the number of e-mail reference requests grow from 213 in Fiscal Year 1997 to 1,443 in Fiscal Year 2004.
- **On-line requests.** DPA achieved its goal of having 67 percent of all public interactions completed by on-line reference services in Fiscal Year 2004. A total of 81 percent of all reference services were conducted on-line (through email, and hits on specific web site databases) as opposed to traditional reference serves (on-site, mail, phone, and fax).
- **Historical markers.** DPA administers the Historical Markers program, which, in Fiscal

Year 2004, placed a total of 27 historical markers and repaired or replaced an additional 17 historical markers.

- **Digital Archives.** DPA continued the Digital Archives Program in Fiscal Year 2004, placing an additional 1,000 images online. These images are used in on-line exhibits which appear on the website. The digitized images remain a primary attraction of the Archives' website. The goal in Fiscal Year 2005 is to have a total of 5,000 images available via our web site.
- **Government services.** Responded to 3,401 requests for technical and retention development assistance from state and local government agencies and provided 3,175 hours of on-site consulting support to these agencies in Fiscal Year 2004.

FUNDING

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	3,044.0	2,750.1	2,702.5
ASF	345.9	409.1	390.5
TOTAL	3,389.9	3,159.2	3,093.0

POSITIONS

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	32.0	31.0	29.0
ASF	7.0	7.0	6.0
NSF	--	--	--
TOTAL	39.0	38.0	35.0

DELAWARE PUBLIC ARCHIVES 20-03-01

ACTIVITIES

- Promote the availability and use of public records as a unique and invaluable source of information.
- Design, install, and maintain exhibits relative to Delaware's history in the three exhibit galleries at the Delaware Public Archives.
- Identify, collect and preserve public records of enduring historical and evidential value.
- Advise and educate state and local government officials and employees about the creation, management, use, and preservation of public records.
- Determine final disposition of all government records regardless of physical format.

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- Administer central state records management program to provide economical and secure agency records disposition.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# of hours per week open to the public without an increase in resources	60	69	69
# of historical images made available to the public online	4,000	5,000	7,500
% of all information requests handled online	81	75	75
# of citizens utilizing the Archives for research, workshops, tours, and special events	10,184	11,882	13,664

REGULATION AND LICENSING 20-04-00

FUNDING

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 Gov. REC.*
GF	--	--	--
ASF	6,108.3	6,910.8	7,467.1
TOTAL	6,108.3	6,910.3	7,467.1

POSITIONS

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 Gov. REC.
GF	--	--	--
ASF	58.0	60.0	66.0
NSF	--	--	--
TOTAL	58.0	60.0	66.0

** This division is recommended to be restructured from the Department of Administrative Services to this department. The Fiscal Year 2004 Actual and Fiscal Year 2005 Budget are for illustrative purposes only and are not included in the department data.*

PROFESSIONAL REGULATION 20-04-01

MISSION

The mission of Professional Regulation is to ensure the protection of the public's health, safety and welfare, by providing administrative and investigative services that serve the citizens of Delaware, professional licensees, license applicants, other state and national agencies and private organizations.

KEY OBJECTIVES

- Issue and renew licenses for qualified professionals and business entities.
- Investigate complaints from the public who are the recipients of the professional services.
- Respond to inquiries from the public, other state and national agencies and private organizations regarding Delaware licensed professionals.
- Provide administrative and legislative support to the division's 32 regulatory boards and commissions.
- Provide assistance to applicants throughout the licensure process.

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BACKGROUND AND ACCOMPLISHMENTS

Professional Regulation provides regulatory oversight for 32 boards/commissions, which are comprised of Governor appointed public and professional members. The activities of this oversight include administrative, fiscal, and investigative support for 40 professions, trades and events.

In Fiscal Year 2004, the division issued 7,817 licenses to new applicants and renewed 16,854 licenses, with a total licensee population of over 50,000. Those licensees regulated are comprised of a diverse group of professions, trades and events, including healthcare, pharmacies, land surveyors and barbers.

During Fiscal Year 2005, the division will begin implementing web components to support on-line applications, renewals and verifications. The new innovation will also include the ability to use credit cards through the division's website.

During Fiscal Year 2004, the number of complaints received by the division continued to increase due to heightened public awareness and growth in the licensee population. The investigative unit screened 490 complaints, 356 were accepted for investigation and 423 investigations were completed.

The division served 13,189 walk-in customers with a 97 percent customer satisfaction rating.

ACTIVITIES

- Provide fiscal, administrative, and investigative support for 32 regulatory boards and commissions comprised of 325 public and professional members.
- Oversee all board/commission activities to ensure that testing, licensing, disciplinary proceedings, rule making and other regulatory activities are completed in an efficient manner and in compliance with the Delaware Code and applicable rules and regulations.
- Assist boards and commissions during the Sunset Committee review process and with compliance of the committee's recommendations.
- Partner with the Attorney General's Office to coordinate complaint disposition and disciplinary proceedings in accordance with the Administrative Procedures Act.
- Facilitate board and commission legislative initiatives and serve as liaison with the General Assembly.
- Maintain a licensing database to provide the public with vital licensure information, to notify licensees of renewal periods and continuing education

requirements and to assist state and federal agencies in accomplishing their missions.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
% of licenses completed on-line	N/A	25	35

PUBLIC SERVICE COMMISSION *20-04-02*

MISSION

To regulate Delaware's investor-owned utilities by assuring they will provide safe and reliable services to their customers in a timely manner, at reasonable rates, which have been appropriately determined through staff review and investigation.

To make certain such regulation results in not only optimum benefits to the consumer, but to the utility, and ultimately, to the economic development of the state.

To facilitate the transition of Delaware's utility industries from a monopolistic to a competitive market, as the opportunities to do so arise; and to do so in a manner that continues to protect Delaware consumers from poor quality of service and unreasonable pricing.

To be guided by acting in the best interests of the citizens of Delaware while meeting the requirements of federal and state laws and regulations.

KEY OBJECTIVES

- To provide good and efficient service to customers who make complaint calls and inquires to the Public Service Commission (PSC).
- To ensure that utility customers receive safe and reliable service at reasonable rates.
- To maintain the cost of utility regulation at less than \$0.0030 per dollar of utility revenue earned.

BACKGROUND AND ACCOMPLISHMENTS

The PSC is principally charged with the regulation of rates and services provided by investor-owned electric, natural gas, telephone, water and cable television utilities that serve customers in Delaware. In exercising its regulatory authority, the PSC recognizes that utilities are entitled to earn a fair return on their investments, while providing their customers with reliable and safe services at just and reasonable rates.

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At present, the PSC has regulatory authority over 11 water suppliers, five cable television franchises, two natural gas suppliers, two electric utilities, 14 electric suppliers and 65 local exchange telephone service providers. In addition, the PSC has issued Certificates of Public Convenience and Necessity for 238 providers of intrastate, competitive telecommunications services. It also reviews the financial and tariff filings of these utilities. Another responsibility of the PSC is resolving franchise-related disputes between new motor vehicle manufacturers and dealerships regarding the relocation of dealerships. It also conducts safety inspections of natural gas pipelines as part of a joint effort with the federal government to ensure the safety of those lines, and in turn the safety of natural gas operators and customers. With the enactment of Senate Bill 99, the PSC is now charged with the authority to regulate investor-owned wastewater utilities in the State.

The PSC continued to manage the process of transitioning Delaware's electric industry to a competitive retail environment, which began with the enactment of the Electric Utility Restructuring Act of 1999. Unfortunately, the initial phase of the deregulation process continues to be disappointing. Volatility in the electric wholesale market and transmission congestion on the Delmarva Peninsula continues to result in reluctance on the part of third-party electric suppliers to actively participate in the Delaware retail market. This reaction by electric suppliers has not been limited to Delaware. Other mid-Atlantic states, including Pennsylvania, Maryland, Virginia and New Jersey also have had similar experiences.

Reliability of electric service has been a prime concern of the PSC. To this end, the PSC has completed its process to set standards of service for its two regulated electric utilities in order to minimize disruptions of service. The PSC continues to actively participate in regional and Federal Energy Regulatory Commission (FERC) proceedings related to electric reliability and electric pricing. The PSC has determined that its participation has become vital as a means to best assure stable electricity rates and reliable service. An investigation was completed into Conectiv's preparedness and response to Hurricane Isabel, which caused numerous electricity outages in September 2003. Almost half of Conectiv's electric customers experienced an outage of some duration; some of these outages lasted nearly a week. As a result of the investigation, Conectiv has taken numerous actions to better prepare itself for another major weather event. The Commission also ordered Conectiv to comply with a number of recommendations made by its staff and hearing examiner.

The PSC is in the process of reacting to recent federal court decisions and orders of the Federal Communications Commission (FCC) regarding local telecommunication competition. Numerous appeals of FCC decisions and changing positions by the FCC have made it very difficult for states to supervise local competition. It is also very possible that Congress will attempt to intervene and make significant amendments to the federal Telecommunications Act of 1996, which adds even more uncertainty to the already unsettled regulatory landscape.

The following details some of the more notable accomplishments achieved by the PSC during the past fiscal year:

- During Fiscal Year 2004, the PSC achieved its goal of keeping the cost of regulation under 0.0030 per dollar of utility revenue. The accomplishment translated into a savings to Delaware ratepayers of approximately \$878,000.
- The PSC has continued the process of certifying service territories of water utilities. This authority was transferred to the PSC by DNREC pursuant to legislation effective July 1, 2001.
- The PSC was successful in defending its decision on appeal to the federal District Court that Verizon owed AT&T between \$800,000 and \$3,500,000 in reciprocal compensation for exchanged telecommunications traffic delivered by AT&T to its Internet Service Provider. Verizon has now appealed the matter to the U.S. Court of Appeals.
- The PSC continues to be successful in its advocacy of positions on a regional and federal level. These positions relate to the impact on electricity service and prices in Delaware.

ACTIVITIES

- Ensure that the activities of regulated utilities are in compliance with both federal and state law.
- Review and process filings presented to the PSC by regulated utilities, encouraging accuracy and timeliness.
- Manage public awareness campaigns for utility deregulation efforts.
- Conduct conveniently located public hearings, as required, in the course of processing utility filings.
- Receive and process consumer inquiries with special emphasis on complaints.
- Conduct safety inspections on natural gas pipelines to ensure compliance with federal safety standards.

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- Maintain good relations with other federal and state agencies.
- Provide professional advice on utility matters to the administrative and legislative bodies of the state.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
Customer satisfaction level with complaint/inquiry investigation and resolution process (scale of 1-5)	4.35	5% increase over FY 2004	5% increase over FY 2005
% of technical staff with at least one training experience per year (funds permitting)	85	85	90
Cost of regulation per each dollar of utility revenue	0.0024	<0.0030	0.0030
# of filings per FTE	21	22	22

PUBLIC ADVOCATE 20-04-03

MISSION

To represent the interests of all Delaware utility consumers before the Public Service Commission of Delaware (PSC), state and federal courts, and federal administrative and regulatory agencies and commissions in matters involving rates, services and practices of regulated public utilities.

KEY OBJECTIVES

- Advocate the lowest reasonable utility rates for all Delaware consumers, consistent with the maintenance of safe and adequate public utility service and consistent with an equitable distribution of rates among all customer classes.
- Target specific utility-related issues for investigation by litigation before the Public Service Commission.
- Improve cost effectiveness by increasing the number of contested rate proceedings settled rather than fully litigated.
- Enhance the staff's professional growth and development, particularly in the area of utility regulation.
- Through use of advanced network technology, maximize the public's ability to access the Public Advocate's services via the Internet.

BACKGROUND AND ACCOMPLISHMENTS

The Division of Public Advocate (DPA) has continued its active role in all phases of policy making and regulatory proceedings regarding electricity industry restructuring at the state and federal levels. The Electric Utility Restructuring Act of 1999 provided for a transition period during which a competitive market for wholesale and retail electric service would evolve to replace the regime of rate regulation.

During the past year, the DPA has been involved in working groups, on a weekly basis, with the regional power pool for Delaware electric supply, PJM Interconnection, LLC. The objectives are to create a Standard Market Design for wholesale rates, which would result in stability of retail rates and limit market power; to increase reliability in the transmission of power to Delaware; and to reduce congestion costs and scarcity costs that may be passed on to Delaware consumers.

Additionally, the DPA has been involved with initiatives relating to promoting energy conservation in Delaware. The expert reporting in regards to reliability and rate volatility, suggests that energy conservation and alternative energy sources best mitigate these concerns.

The DPA's greatest challenge remains being responsive to a constantly changing regulatory and competitive environment for core utility services in Delaware. The DPA takes timely and appropriate action in the regulatory arena in order to effectively secure the interests of utility consumers at both the state and federal levels. Accordingly, it is essential that the DPA monitor and upgrade its website in order to include educational and outreach materials and links so that consumers may continue to interact with the Public Advocate's office concerning a wide range of issues. The DPA's online complaint filing system and toll-free telephone number afford consumers greater access to its services. Consequently, the DPA is increasingly being asked to provide data, information and reports, as well as appearances in many civic meetings and civic groups, as well as municipalities. Although these entities do not necessarily have their utility services governed by the PSC, they are indirectly affected by the PSC and other regional proceedings discussed above.

The DPA intends to maintain its long-standing membership in the National Association of State Utility Consumer Advocates (NASUCA). This national organization participates in various activities, such as, testifying before the Congress and the Federal Energy Regulatory Commission (FERC), organizing conferences, and serving as a clearinghouse for

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regulatory information from all member states. The DPA staff also participates in various committees of NASUCA.

In addition to its effort to protect customers through regulatory proceedings, the DPA has also worked hard to protect customers by urging utility companies to adopt more “customer-friendly” procedures. Unlike regulations governing utility termination during the heating season, there are no rules governing utility service terminations during extreme hot weather conditions. The DPA recognized the potential effects excessive heat and humidity might have on customers, especially those in jeopardy of having their power service suspended for non-payments. Therefore, the DPA solicited the PSC to adopt a rule governing electric disconnections during periods of extreme heat and humidity. Currently, and over the past 25 years, utilities were permitted to disconnect service during the heating season if the temperature at 8 a.m. was at or below 20 degrees Fahrenheit. The DPA is also seeking to raise the threshold to 32 degrees. The PSC has opened a docket to address these concerns.

ACTIVITIES

- To enable the public to gain fast and easy access to information concerning the regulated utilities and related issues, the DPA plans to enhance its website to include utility tariffs, a synopsis of ongoing proceedings, and a summary rate page for Delaware consumers.
 - The DPA will continue its participation in dockets related to:
 - (a) electric and natural gas reliability, rate and rate design/restructuring, including cost allocation manuals and codes of conduct;
 - (b) local telephone competition;
 - (c) FERC proceedings regarding the Pennsylvania, New Jersey, and Maryland (PJM) Interconnection;
 - (d) customer service quality and water quality issues; and
 - (e) water rate and rate-design dockets associated with tougher Federal Safe Drinking Water Act standards and conservation-related programs.
 - Investigating and tracking consumer complaints.
 - Participating in activities pertaining to the Water Supply Coordinating Council, of which the Public Advocate is a statutory member. The council oversees activities to ensure a safe and adequate water supply for Delaware.
- Pursuing activities that complement the Governor’s Livable Delaware initiative such as:
 - (a) advocating policies that encourage the development of demand-side resources and cleaner supply resources for the electricity market;
 - (b) implementing, with the assistance of the University of Delaware’s Center for Energy and Environmental Policy, a six-year program whose goal is to increase the use of renewable energy (RE) and renewable energy technologies (RETs) in Delaware; and
 - (c) encouraging the development of energy efficiency and renewable energy policies that help to keep high-quality jobs in Delaware by actively engaging its role as consultant to the Delaware Economic Development Office with respect to the appropriation of funding from the Environmental Incentive Fund for appropriate projects.

PERFORMANCE

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
% of staff completing at least one training and development seminar	100	100	100
# of “hits” on DPA website	15,000	28,000	32,000
% increase over the previous year in # of customers filing complaints online	30	50	50

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CORPORATIONS

20-05-00

MISSION

To generate revenue for the State of Delaware through the collection of corporate and alternative business entity taxes and fees as well as Uniform Commercial Code (UCC) filing and search fees. To provide superior services for customers in order to attract and maintain incorporations in Delaware and thereby promote a strong economy.

KEY OBJECTIVES

- Increase the amount of revenue generated from entities domiciled in Delaware.
- Increase the number of entities domiciled in the State of Delaware.
- Increase productivity within Corporations.
- Increase the measured level of customer service.
- Enhance the quality of the work environment for division employees.

BACKGROUND AND ACCOMPLISHMENTS

Revenue collected by Corporations accounted for 23 percent of the State's General Fund revenue in Fiscal Year 2004. The success in generating such substantial state revenue is attributable to several factors including: the excellent business climate that Delaware offers; the foundation of over 100 years of state corporate law; the prestigious Delaware Court of Chancery; on-going marketing initiatives; a state-of-the-art information processing system; a cooperative legislature that responds quickly to necessary changes in the law; and a history of excellent customer service provided by the division staff.

The primary focus of Corporations will continue to be customer service and enhancing current technology. To improve operations, the division is continually upgrading technology and implementing enhancements to its website. The division is also committed to maintaining a professional, well-trained staff.

Corporations does face significant challenges. The sagging Initial Public Offerings (IPO) market and a healthy merger market have resulted in fewer listings of publicly traded companies and has affected division revenues. These declines have been partially offset by

record growth in UCC filings, and new formations of limited liability companies and statutory trusts.

The division continues to work with its partners including corporate attorneys, registered agents, the General Assembly, legal scholars, and others to ensure that every marketing opportunity is fully explored and every opportunity to improve efficiency is implemented so the division is well-positioned when the economy grows stronger.

Accomplishments

- Increased the net number of new business entities in Delaware by 62,000.
- Reduced expenses, handled a 22 percent increase in new business entity formation filing volumes with no additional staff, and returned more than \$15 million of unspent funds to the state's General Fund.
- Continued to handle a near ten percent increase in total UCC filing volumes since Fiscal Year 2003 with no increase in full time staff.
- Improved customer service with new on- line service offerings such as on-line general corporation information and name reservations.
- Improved efficiency by significantly increasing customer utilization of on-line UCC and tax filings.
- Improved customer service by enhancing web applications for the General Information Center and decreasing phone calls in excess of 35 percent for Fiscal Year 2004.
- Established Delaware as a national leader in promoting electronic filings. Online franchise tax filings increased from 49,000 in Fiscal Year 2003 to 69,000 in Fiscal Year 2004. Online UCC filings increased from 26,000 in Fiscal Year 2003 to 52,500 in Fiscal Year 2004.
- Enhanced the state's position as the Corporate Capital of the United States and enhanced the state's competitiveness by signing new legislation providing incentives for locating headquarters management operations in Delaware.

FUNDING

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	--	--	--
ASF	8,642.9	10,669.0	14,853.4
TOTAL	8,642.9	10,669.0	14,853.4

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POSITIONS

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	--	1.0	--
ASF	93.0	94.0	95.0
NSF	--	--	--
TOTAL	93.0	95.0	95.0

CORPORATIONS 20-05-01

ACTIVITIES

- Incorporate and form business entities under the laws of Delaware.
- Maintain official records of incorporation and business formation.
- Generate revenue through collection of franchise taxes and other fees.
- Initiate necessary changes to Delaware General Corporate Law and other business entity statutes.
- Market the attractiveness of incorporating in Delaware.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
\$ franchise tax revenue (millions)	515.8	488.0	507.5
% UCC e-corp filings	30	40	50

HISTORICAL AND CULTURAL AFFAIRS 20-06-00

MISSION

To enrich the quality of life for all Delawareans by preserving Delaware's unique historical heritage, fostering community stability and economic vitality, and providing educational programs and assistance to the general public on Delaware history and heritage.

KEY OBJECTIVES

- Expand public education about Delaware history and heritage by increasing visitation and public outreach by 20 percent over the next three years.
- Operate the historic preservation tax credit program to ensure full use of the credit through Fiscal Year 2006.
- Improve environmental review response time by 15 percent through Fiscal Year 2006.
- Enhance historic resource information and museum collections information to maintain essential services to agencies, consultants, and the general public.
- Maintain facilities preservation standards, collections preservation standards, and information access standards through Fiscal Year 2006.
- Increase group reservations in Buena Vista and Belmont Hall conference centers by ten percent through Fiscal Year 2006.

BACKGROUND AND ACCOMPLISHMENTS

Historical and Cultural Affairs is an agency with a broad history, preservation, public planning, and education mission. The division is composed of the Office of the Director and two major public service units, the Delaware State Historic Preservation Office and Delaware State Museums.

The Office of the Director provides division-wide policy and program support and advises the department and the Governor on issues relating to Delaware history, heritage, and cultural resource management. The Office of the Director also administers leases to non-profit organizations for ten division-owned historic properties, and operates two state conference centers (Buena Vista and Belmont Hall). Nearly 10,000 people used state

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conference center facilities in Fiscal Year 2004. The Office of the Director represents the Department of State in the State Planning Coordination Working Group and on other inter-agency boards, councils, commissions, and working groups.

The Delaware State Historic Preservation Office (Preservation Office) operates programs to identify, evaluate, protect, and enhance the state's archaeological sites, historic buildings, structures, and districts. Since its inception over 30 years ago, the federal Historic Preservation Fund has provided nearly \$9.2 million in survey and planning grants to identify and protect the state's cultural resources. The office reviews an average of 700 federally-assisted development projects each year and advises the sponsors of the effects on historic properties and sites. The office also reviews and comments on land use and development proposals under the State Preliminary Land Use Service. In addition, the office contributes to strengthening Delaware communities by administering federal and state tax incentive programs for the rehabilitation of properties listed in the National Register of Historic Places and providing educational programs about Delaware history, archaeology, and historic architecture.

Delaware State Museums (State Museums) educates the public about Delaware's rich history by means of exhibits, tours, lectures, programs, teacher in-service training, special events, and a website. State Museums' primary education resources are the state's general museum collection, archaeology collection, and the state's portrait collection, all of which receive professional management, care, and conservation. The general and fine arts collections include approximately 150,000 objects and the archaeology collection includes an estimated two million artifacts representing 12,000 years of Delaware history and heritage. Delaware State Museums operates and maintains eight museums (including the State Visitor Center in Dover) and six support sites. State Museums maintains the grounds, buildings, and historic furnishings associated with Buena Vista and Belmont Hall in support of conference center services offered at both sites. State Museums also provides operational support to the private, non-profit Sewell C. Biggs Museum in the State Visitor Center. Delaware State Museums participates in statewide tourism planning and promotion to strengthen Delaware's economy, and develops program content that complements Delaware education standards. An average of 80,000 people visit state museums each year.

Accomplishments

- **Preservation Incentives** – Awarded \$3.0 million in State Historic Preservation Tax Credits and

recommended approval by the National Park Service of \$8.8 million in federal preservation tax credits for projects revitalizing historic properties in Delaware communities. Administered Federal Historic Preservation Fund grants of \$121,000 to eligible recipients to assist in local historic site survey, preparation of National Register nominations, review of land use plans for effects on historic resources, and education outreach.

- **Preservation Environmental Review** – Coordinated Section 106 reviews for major development projects, including the Christina River waterfront, Tyler McConnell Bridge, Indian River Bridge, Blue Ball, Americana Bayside, Rt. 113 Sussex, and NASA/ITEC.
- **Preservation Technical Assistance** – Provided technical assistance to consultants for five data recovery archaeological projects, and investigated three unmarked human remains cases. Improved public access to Preservation Office research files and database information by indexing library and research center holdings, providing tracking aids for the agency's photograph database, and providing guidance on criteria and procedures for assessing effects of public and private actions on historic properties.
- **Preservation Survey** – Completed historic survey of the town of Cheswold.
- **Preservation - Special Recognition** – Coordinated the National Landmark designations for the New Castle Courthouse Museum and Howard High School. The Delaware State Review Board for Historic Preservation approved nominations to the National Register of Historic Places for the following properties: Holladay-Harrington House (Greenville); Fort Miles Historic District (Lewes vicinity); and Air Service Hangar at Bellanca Field (New Castle vicinity). Prepared documentation that enabled the National Park Service to certify the New Castle Courthouse Museum and the State House Museum as official sites in the Underground Railroad Network to Freedom.
- **Preservation Outreach and Special Events** – Coordinated annual Delaware Archaeology Awareness program with public and private partners and outreach to over 14,000 participants statewide. Enhanced citizen awareness of historic preservation programs and incentives by holding workshops in local communities. Exhibited information about historic architecture, archaeology, history, and preservation at community events in Lewes, Dover, and Newark. Assisted the City of Wilmington in organizing a program to observe the ceremonial

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reinterment of ancestral remains from the New York City African American Burial Ground.

- **Information Technology** – Redesigned the State Historic Preservation Office web page with the state’s “common look and feel” resulting in a 60 percent increase in the number of web “hits.”
- **State Museums and Historic Property Restoration** – Awarded contracts for restoration projects at division-owned properties, including Octagonal Schoolhouse, Milford Museum, Abbotts Mill, Hale Byrnes House, Robinson House, Cooch-Dayett Mills, Prince George’s Chapel, and Johnson Victrola Museum. Developed plans for expansion of the Johnson Victrola Museum to enhance display of a nationally significant collection and allow handicapped accessibility, and for restoration of the Sheriff’s House in New Castle to provide gallery, program, and Visitor Center space. Developed plans to expand Zwaanendael Museum in Lewes to permanently house the HMB DeBraak collection and provide general gallery and program space. Conducted conservation assessment of the DeBraak hull. Initiated phased development study for Cooch-Dayett Mills. Completed improvement projects at Abbotts Mill and the Delaware Archaeology Museum. Continued phased restoration of Old New Castle County Courthouse.
- **State Museums Outreach and Special Events** – Provided leadership for the development of programs and interpretation for the First State Heritage Park of Dover. Assisted the State Tourism Office with the development of the Destination Delaware Certificate Program, a state-certified, professional development training course for the tourism industry. Coordinated on-site filming activities for the production of an African American history program by WNET in New Castle. Hosted the Dover Amish Country Bike Tour at Delaware State Museums’ Visitor Center.
- **State Museums Special Recognition** – Delaware State Museums was presented with the President’s Distinguished Service Award from the Chapter 1 Korean War Veterans Association for developing a major exhibit on Delaware’s role in the Korean War. Delaware State Museums received recognition for contributing expertise to the historical accuracy of the recent Oscar-nominated film “Master and Commander.”
- **State Museums Historical Research** – Finalized scholarly research on the Washington-Rochambeau Revolutionary Route through Delaware. The report will help guide commemoration activities in 2006-2008.

- **State Museums Exhibits** – Created exhibit in Zwaanendael Museum featuring the history of women’s handiwork in Delaware. Showcased Delaware history and heritage in six “mini-exhibits” throughout the State Museum system, and refurbished exhibits in the Visitor Center at John Dickinson Plantation, New Castle Courthouse Museum, Johnson Victrola Museum, and Zwaanendael Museum.
- **State Museums Education Leadership** – Welcomed over 82,000 people to Delaware State Museums’ eight museums and historic sites showcasing Delaware history and heritage through interactive and interpretive tours. Guests represented all 50 states and 32 foreign counties. Coordinated the Secretary of State’s annual Fourth Grade Delaware Day competition. Provided education outreach programs to professional groups, students, and residents in assisted living facilities. Provided instruction to school teachers, and judged state and national level history competitions and student projects.
- **State Museums Collections** – Continued partnership with Winterthur Museum for the conservation of artifacts from the State Museums archaeological collections. This partnership provides training opportunities for University of Delaware museum conservation students while providing conservation treatments for State collection items. Thirty-two artifacts from four archaeological sites were conserved in Fiscal Year 2004, some being the earliest historic artifacts found in the state. Conservation continued on large ordnance items in the *H.M.B. DeBraak* Collection with nine cannons undergoing treatment during Fiscal Year 2004. Provided conservation services for 25 objects from State Museums’ general collection, and enhanced the collections with the purchase of significant historical objects related to the Civil War, Delaware Governors, the Robinson family, items of Delaware manufacture, and fine arts.
- **State Conference Centers** – Provided enhanced communications services with state-of-the-art electronic presentation equipment.

FUNDING

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	2,989.3	2,951.6	3,108.3
ASF	260.6	345.4	345.3
TOTAL	3,249.9	3,297.0	3,453.6

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POSITIONS

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	41.6	40.1	40.1
ASF	1.5	1.5	1.5
NSF	6.9	6.9	6.9
TOTAL	50.0	48.5	48.5

OFFICE OF ADMINISTRATION 20-06-01

ACTIVITIES

- Monitor state and federal legislation, funding opportunities, and inter-agency opportunities for program development and service delivery.
- Meet with constituents and identify needs and opportunities for program change or development; provide leadership, planning assistance, and resource support for the annual archaeology awareness program.
- Represent the division and its programs through correspondence, meetings, speaking engagements, and participation in statewide planning and other public/private working groups.
- Administer two state conference centers and leases for ten historic sites leased to municipalities, non-profit organizations, and residential tenants.
- Maintain comprehensive web site for online information about State Conference Center services.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# of users of state conference centers	9,899	10,500	11,500

DELAWARE STATE HISTORIC PRESERVATION OFFICE 20-06-03

ACTIVITIES

- Identify and evaluate historic buildings, structures, districts, and archaeological sites throughout the state, and update historic site surveys statewide.
- Maintain centralized files of information on the state's historic properties, convert historic and archaeological site data to GIS format, and acquire copies of key historic maps.

- Continue the Cultural Resource Information Management System transfer of cultural resource data from a manual system to a digital mapping, referencing, and indexing system.
- Provide federal historic preservation fund grants to local governments to assist in environmental review cases, and conduct semi-annual preservation training for county and local government planning staff.
- Review and comment on federal, state, and local development projects and proposed land use changes for their potential effects on significant archaeological sites and/or historic properties.
- Streamline environmental reviews by developing Programmatic Agreements on review procedures with agencies.
- Review and comment on applications for federal tax incentives for historic property rehabilitation and award 100 percent of available state tax credits.
- Convey to Delaware's citizens an awareness and understanding of the state's history, archaeology, and heritage and provide information about the benefits of historic preservation.
- Maintain a comprehensive website for on-line access to State Historic Preservation Office services, including pages for youth and educators.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
% 30-day environmental project reviews completed on schedule	89	95	100
% available historic preservation tax credits awarded	97	100	100
% GIS point data, by hundred, completed	39	50	75

DELAWARE STATE MUSEUMS 20-06-04

ACTIVITIES

- Educate the public about Delaware's rich history via exhibits, tours, lectures, teacher in-service training, special events, programs and a website.
- Operate and maintain eight state museums and the State Visitor Center in Dover.
- Provide operating and security support for the Sewell C. Biggs Museum of American Art.
- In partnership with state, county, and local tourism agencies, develop plans for cooperative marketing and programming for historic sites.

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- Develop, plan, coordinate, and monitor restoration and maintenance projects on 14 non-museum historic properties leased to private tenants.
- Provide technical assistance to state and local museums on museum development and operation.
- Develop and present teacher education programs on Delaware history as interpreted through division facilities; operate programs and provide publications for the general public.
- Maintain a comprehensive website for on-line access to State Museum services with information on museum sites, exhibits, and publications, including pages for children and educators.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# of annual museum visitors	80,210	81,200	84,100
# people reached in public outreach programs (includes webpage downloads)	13,383	15,000	16,000
# of webpage downloads	45,081	50,000	52,500

ARTS 20-07-00

MISSION

To nurture and support the arts to enhance the quality of life for all Delawareans by:

- Supporting excellence of artistic product, process, or service;
- Fostering the freedom of creative expression;
- Expanding availability and accessibility of the arts;
- Supporting learning in the arts for Delawareans of all ages;
- Establishing mutually beneficial partnerships to advance the arts;
- Increasing statewide awareness of the arts: events, resources, opportunities, and values;
- Providing financial, technical, and professional assistance to arts programs, individuals, non-profit organizations, and other government entities; and
- Developing strategies and programs with the guidance and assistance of the Delaware State Arts Council and with input from artists, citizens, and others who have an interest in the arts.

KEY OBJECTIVES

- Conduct a statewide economic impact study measuring the impact of the state's nonprofit cultural institutions on Delaware's economy.
- Develop a statewide Guide to the Arts, including a directory of arts venues, maps of cultural destinations, and feature articles on arts events, to serve as a promotional tool for citizens and out-of-state tourists.
- Develop and grow the state's first on-line roster of Delaware artists to help promote individual artists and assist arts presenters in finding Delaware talent. Provide workshops for roster artists to enhance their marketing and promotional skills.
- Introduce new grant programs to encourage the growth of arts programs in underserved areas of the state.

BACKGROUND AND ACCOMPLISHMENTS

The Delaware Division of the Arts is dedicated to promoting and developing the arts throughout the state. Together with its advisory board, the Delaware State Arts Council, the division administers grants and

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programs that support artists, arts organizations, schools, government entities, and other community organizations chartered in Delaware. The division receives funding through appropriations from the Delaware Legislature; the National Endowment for the Arts, a federal agency; and the Mid Atlantic Arts Foundation.

The Delaware State Arts Council advises the Division of Arts on matters of arts policy, funding for the arts, and other issues relevant to support for the arts in Delaware. The council is comprised of 16 members, appointed by the Governor, who represent the state geographically and politically and are appointed on the basis of their interest and experience in the arts. Council members serve as advocates for the arts, promoting and encouraging participation in and appreciation of the arts throughout the state. Council members are citizens of Delaware and serve a renewable three-year term.

The Division of Arts and the State Arts Council are entering the second year of their long range plan. Accomplishments during last fiscal year are outlined below.

Accomplishments

- Awarded a total of \$1.6 million in grants to approximately 70 arts and community-based organizations in Fiscal Year 2004.
- Achieved \$170,000 in additional funding from federal and private sources for division initiatives.
- Organized and sponsored the first state-wide artist showcase for Delaware's craft artists providing greater visibility for the artists and opportunities to sell their work.
- Hosted in Fiscal Year 2005 Governor's Awards for the Arts, a statewide celebration and recognition ceremony. This year's ceremony honored two organizations and five individuals that have had a lasting impact on the arts in Delaware.
- Developed the state's first published roster of Delaware artists.
- Converted 100 percent of all grant program information and applications to the division's website thus saving \$10,000 annually in printing and postage.
- Established a Dover office for the Division of Arts to facilitate greater access by the public to the division's staff, resources, and services.
- Partnered with Libraries to sponsor tours of performing artists to all 33 libraries in conjunction with the state's Summer Reading Program.
- Partnered with the Department of Education to host the first "March of the Arts" celebration of arts programs in the schools.

- Partnering with the Economic Development Office on the "Handmade in Delaware" initiative designed to promote handcrafted items made in Delaware.
- Serving on the interagency planning team developing the First State Heritage Park of Dover.
- Encouraged the inclusion of Delaware artists in public art projects sponsored by Parks and Recreation, Transportation, Economic Development Office, and New Castle County Courthouse.
- Assisted Senator Carper's office in hosting a National Endowment for the Arts workshop in Delaware for arts organizations eligible for federal funding.
- Established Arts E-News, an electronic newsletter for the division's constituents.
- Assisted in securing an historic Frank E. Schoonover mural and other artwork for the New Castle County Courthouse.

FUNDING

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	1,621.2	1,708.9	1,730.8
ASF	--	--	--
TOTAL	1,621.2	1,708.9	1,730.8

POSITIONS

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	6.0	6.0	6.0
ASF	--	--	--
NSF	3.0	3.0	3.0
TOTAL	9.0	9.0	9.0

OFFICE OF THE DIRECTOR 20-07-01

ACTIVITIES

- Annually issue grants, on a competitive basis, to 50-70 of Delaware's non-profit arts organizations.
- Annually fund 30-40 projects that foster collaborations and integrate the arts into non-traditional venues such as libraries, community centers, fire halls, churches, schools, and local parks.
- Annually provide 15-20 fellowships to individual artists at the emerging, established, and masters level.
- Assemble citizen panels that reflect the diversity of the state to review and evaluate grant applications and recommend funding.

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- Provide professional and organizational assistance to artists, non-profit organizations, and others involved in presenting cultural programs.
- Serve as the primary resource for promoting the arts throughout the state.
- Produce *Artline*, a bimonthly arts insert including feature articles and a calendar of events, in partnership with the News Journal.
- Co-host Delaware State of the Arts, a weekly public affairs program on WILM News Radio designed to promote local arts events.
- Present solo exhibitions by artists who have won individual artist fellowships in the Carvel Office Building's Mezzanine Gallery.
- Maintain and grow the Artist Slide Registry, a comprehensive directory of visual artists in the state.
- Convene Delaware's artists, arts administrators, and teachers at the Arts Summit, a statewide professional development conference held every other year.
- Collaborate with Education to ensure standards-based arts instruction in grades K-12, professional development promoting best practices, and partnership building between schools and Delaware's arts resources.
- Support emerging arts organizations and arts programs in under-served communities through grants and technical assistance that bolsters their administrative capacity for future growth.
- Conduct on-site evaluations of arts programming and provide workshops and technical assistance to promote institutional growth in the arts community.
- Provide leadership in establishing and strengthening links between local decision-makers, business leaders, schools, and community arts organizations.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# of people served by DDOA-sponsored arts activities	843,542	1,164,000	1,198,920
# of artists served by DDOA-sponsored events and programs	12,237	13,100	13,500
# of youth served by DDOA-supported arts education programs	147,727	190,500	193,000
# of hits to DDOA's home page	40,500	45,000	45,000

LIBRARIES 20-08-00

MISSION

To provide leadership and support for the timely development of Delaware's libraries to ensure convenient and affordable access to, and encourage use of, current information resources and reading material by all Delawareans.

KEY OBJECTIVES

- Implement Fiscal Year 2006 recommendations contained in the federal Delaware Library Services and Technology Act Five Year Plan for Fiscal Years 2003-2007.
- Implement the Delaware Library Catalog and Delaware Library Card by Fiscal Year 2006.
- Finalize and begin implementation of the Statewide Master Plan for Library Services and Construction to create a statewide, integrated framework for library services and construction in alignment with Livable Delaware and the First State Quality Initiative Library Project by Fiscal Year 2006.
- Implement sustainability standards and procedures through the Delaware Public Library Technology Assistance Act for routine replacement of public access computers to bridge the digital divide, and implement policies and procedures to bring public libraries into compliance with the Delaware Child Internet Protection Act by Fiscal Year 2006.
- Facilitate use of library services by people with disabilities via assistance from the Delaware Library for the Blind and Physically Handicapped by Fiscal Year 2006.
- Ensure the Delaware Library Associates Training Institute and the Delaware Library Technology Education Center curriculum retain alignment with the national library education plan, and continue the development of partnerships with other State Library agencies, to strengthen the on-ramp to the Master of Library Science (MLS) degree for library staff by Fiscal Year 2006.
- Establish collaborative mechanisms for public education to increase library card registration and promote use of library collections and services by the public by Fiscal Year 2006.

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BACKGROUND AND ACCOMPLISHMENTS

The services and programs of Delaware's public libraries and the Delaware Division of Libraries are heavily used. Delaware public libraries recorded more than 3 million visits, answered more than 460,000 reference questions, and circulated more than 4.6 million books and other materials during 2003.

DelAWARE® (www.state.lib.de.us), the public library online resource supported by Libraries, contains more than 2,000 full text magazines, newspapers, and reference sources. In Fiscal Year 2004, *DelAWARE®* recorded more than 129,000 user sessions compared to 115,000 in Fiscal Year 2003, an increase of 12 percent.

Libraries administers the Library Standards Program, a critical source of funding for public libraries. State grants allow public libraries to purchase materials for their collections and to support library technologies. Libraries also administers the Delaware Public Library Construction Assistance Act that provides up to 50 percent of the cost to build, expand, or renovate public library buildings. The Delaware Public Library Technology Assistance Act provides support for upgrades and integration of new library technology. During 2004, public input was obtained for the development of the Statewide Master Plan for Library Services and Construction from 432 people participating in 55 Focus Groups and through 1350 Telephone Surveys, 450 in each county.

In Fiscal Year 2004, Libraries expanded the virtual reference service, AnswerOnLine, to 24 hours per day, 7 days per week. AnswerOnLine is available through the state web portal in partnership with public, school, special, and academic libraries, providing live assistance to Delawareans by Reference Librarians.

The Delaware Library for the Blind and Physically Handicapped (LBPH) is part of the network of the National Library Service for the Blind and Physically Handicapped of the Library of Congress and provides talking books and playback equipment on loan through the mail to persons who are unable to read standard print due to a visual, physical, or learning disability. In Fiscal Year 2004, the LBPH circulated more than 49,000 talking books to over 1,500 Delawareans unable to read print resources.

The Delaware Center for the Book is a designated state center of the Library of Congress as an umbrella organization to facilitate collaboration among all entities promoting libraries and reading in Delaware. The Delaware Summer Library Reading Program, now in its 26th year, encourages children to read over the summer

and helps them to maintain their reading skills. More than 14,000 children participated during Summer 2003.

FUNDING

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	4,778.9	5,533.2	5,772.0
ASF	--	--	--
TOTAL	4,778.9	5,533.2	5,772.0

POSITIONS

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	12.0	12.0	12.0
ASF	--	--	--
NSF	9.0	9.0	9.0
TOTAL	21.0	21.0	21.0

LIBRARIES 20-08-01

ACTIVITIES

- Administer the Federal Library Services and Technology Act Five Year Plan.
- Administer the Library Standards funds.
- Administer the Delaware Public Library Construction Assistance Act program.
- Administer the Delaware Public Library Technology Assistance Act program.
- Support *DelAWARE®* (www.lib.de.us), the public library on-line resource.
- Administer the Delaware Library Technology Education Center.
- Administer the Delaware Library for the Blind and Physically Handicapped.
- Coordinate the Delaware Summer Library Reading Program.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# library card holders	470,585	525,000	560,000
# active users of LBPH	1,543	1,550	1,550
# DelAWARE user sessions	129,117	142,000	156,000
# library computer users	N/A	15,000	17,000

STATE

20-00-00

STATE BANKING COMMISSION

20-15-00

MISSION

To serve the public interest by regulating and examining state banks, trust companies, and licensed financial institutions; resolve consumer complaints; provide consumer education programs to Delaware residents; and collect and administer the bank franchise tax that covers all banks and trust companies operating in the state.

KEY OBJECTIVES

- Ensure the safe and sound operation of state banks and trust companies, the compliance of licensed financial institutions with state and federal laws and regulations, and the escheat of abandoned property to the state by all banking organizations through regular examinations of those institutions.
- Expand the availability of financial services to consumers in Delaware by chartering new banks and trust companies, and by issuing new licenses and renewing existing licenses for non-depository financial institutions.
- Create an environment of service to consumers by responding to informational inquiries and resolving complaints against regulated financial institutions.
- Promote consumer education about financial services through public meetings and events.
- Fund important state governmental activities by collecting bank franchise tax revenues.

BACKGROUND AND ACCOMPLISHMENTS

The banking industry has grown to be one of the most important in the state since the passage of the Financial Center Development Act in 1981. In addition to the state's traditionally strong banks and trust companies, many of the largest credit card banks in the country are located in Delaware. Commercial bank employment in Delaware has grown from less than 5,000 in 1981 to about 30,000 in 2004.

The responsibilities of the Office of the State Bank Commissioner have grown significantly since 1981. Today, the office supervises 19 banks with assets of over \$46 billion, as well as 21 non-deposit trust companies, two building and loan associations, and hundreds of licensed financial institutions. Most of the licensees provide financial services to consumers in the state and include mortgage brokers; licensed lenders, such as mortgage lenders and consumer finance companies;

check sellers and money transmitters; check cashers; motor vehicle sales finance companies; and pre-need funeral contractors. Money transporters and business and industrial development corporations are also licensed by the State Bank Commissioner. The bank franchise tax administration is demanding due to the substantial collection levels and the increase in the requisite oversight. The public need for information and consumer protection also has increased.

Accomplishments

- Chartered one new bank and two new limited purpose trust companies.
- Collected \$136.7 million in bank franchise tax revenues and provided periodic estimates to the Delaware Economic Financial Advisory Council (DEFAC) to support the state budgetary process.
- Partnered with the Attorney General's office in the "Know the Facts -- Before You Borrow Money" consumer education and outreach program, increasing awareness through public appearances, community meetings, and the distribution of informational brochures, funded by a nationwide settlement with a major lender of complaints about unfair and deceptive lending practices in the "sub-prime" market for residential mortgage loans.
- Conducted 173 examinations of state-chartered banks, trust companies, building and loan associations, state-licensed financial services businesses, and the escheat of abandoned property by banking organizations.
- Issued licenses to 767 financial services institutions.
- Resolved 1,181 written consumer complaints.

FUNDING

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	--	--	--
ASF	2,770.4	2,907.1	3,390.4
TOTAL	2,770.4	2,907.1	3,390.4

POSITIONS

	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 GOV. REC.
GF	--	--	--
ASF	36.0	36.0	36.0
NSF	--	--	--
TOTAL	36.0	36.0	36.0

STATE
20-00-00

STATE BANKING COMMISSION
20-15-01

ACTIVITIES

- Encourage applications to form new banks and trust companies.
- Examine state-chartered banks and trust companies for safety and soundness; examine financial services licenses for compliance with state and federal laws; and examine all banking organizations to make sure that abandoned property is escheated to the state.
- Issue new licenses and renew existing licenses for non-depository financial services institutions.
- Collect and administer the bank franchise tax and provide periodic estimates of tax revenues to DEFAC for state budgetary purposes.
- Achieve enactment of significant banking and financial services legislation and improve regulations.
- Respond to informational inquiries and resolve consumer complaints against banks, trust companies, and licensees.
- Develop and expand consumer education programs.

PERFORMANCE MEASURES

	FY 2004 Actual	FY 2005 Budget	FY 2006 Gov. Rec.
# of bank, trust company, licensee, and escheat examinations	173	200	200
# of licensed non-depository institutions	767	800	800
# of written consumer complaints resolved per year	1,181	1,500	1,500
# of consumer education meetings and events	50	50	50
\$ Bank Franchise Tax (millions)	136.7	134.7	148.6